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REPORT
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SAVINGS PROGRAM FOR MEMBERS OF THE ARMED FORCES SERVING IN CONNECTION WITH OPERATION DESERT STORM

JANUARY 31 (legislative day, JANUARY 3), 1991.—Ordered to be printed

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Mr. NUNN, from the Committee on Armed Services, submitted the following

REPORT

[To accompany S. 221]

EXPANDING THE SAVINGS PROGRAM FOR MEMBERS OF THE ARMED FORCES SERVING IN CONNECTION WITH THE PERSIAN GULF CONFLICT

The Committee on Armed Services reports favorably S. 221, with amendments and an amendment to the title, to provide certain benefits for members of the armed forces performing service in connection with Operation Desert Shield, Operation Desert Storm, and for other purposes, and recommends that the bill do pass.

PURPOSE OF THE BILL

This bill would provide certain improvements in the benefits for military personnel and their families. These improvements are targeted primarily to active component personnel and National Guard and Reserve component personnel serving or activated for duty in Operation Desert Shield and Operation Desert Storm. The provisions of this bill complement the set of improvements for military personnel serving in Operation Desert Shield provided in the National Defense Authorization Act for Fiscal Year 1991.

COMMITTEE PROCEEDINGS

S. 221, introduced by Senator Glenn (for himself and others), to require the Secretary of Defense to authorize members of the armed forces serving outside the United States under arduous conditions pursuant to an assignment or duty detail as a part of Operation Desert Shield to participate outside the United States was

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considered favorably during the Committee's markup session on January 30, 1991.

SPECIFIC PROVISIONS

Section 1 of this bill would require the Secretary of Defense to implement the savings plan for military personnel deployed to the Persian Gulf in Operation Desert Shield and Operation Desert Storm that was authorized in the National Defense Authorization Act for Fiscal Year 1991. Section 2 would exempt military personnel who are in a missing status from the $10,000 annual cap on the amount that individuals may save under this plan.

The Committee notes that the Department of Defense has had the discretionary authority to implement the savings plan since enactment of the National Defense Authorization Act of 1991 on November 5, 1990. The Committee believes this authority should be implemented without further delay so that military personnel deployed to the Persian Gulf in Operation Desert Shield and Operation Desert Storm can invest their earnings on the U.S. Treasury and earn a fair rate of interest. Many military personnel deployed to the Persian Gulf were deployed on short notice and had little or no opportunity to make banking arrangements to save their earnings at favorable interest rates. This is especially true of single military personnel who may have no one they can depend on to make these arrangements for them in their absence.

Section 3 of this bill would make it clear that the expenditures in this bill are emergency expenditures resulting from Operation Desert Shield and Operation Desert Storm as provided in the budget summit agreement. Emergency expenditures, whether related to these operations or not, are exempt from the relevant sequestration provisions if they are designated as emergency expenditures in statute. Section 251(b)(2)(D) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901 et seq.), as amended by Public Law 101-508, provides for the treatment of emergency discretionary expenditures, including those related to Operation Desert Shield. Section 252(e) of that act provides for the treatment of emergency direct spending. Defense discretionary expenditures that exceed the statutory cap in the Budget Summit Agreement (enacted as the Omnibus Budget Reconciliation Act of 1990, Public Law 101-508) will trigger a sequester in order to keep defense discretionary expenditures at or below the cap. Expenses related to Operation Desert Shield are exempt from this cap, however. Any new direct spending legislation is subject to the pay-as-you-go sequester provisions of the budget agreement which require that spending legislation be deficit-neutral over a five-year period. Emergency expenditures are also exempt from this requirement.

The focus of this bill is on benefits for Desert Shield and Desert Storm personnel in fiscal year 1991, which are exempt under the budget agreement. While there are expenditures beyond fiscal year 1991 authorized in this legislation, the Committee notes that none of these expenditures will have the effect of increasing defense spending above the levels in the budget agreement once Operation Desert Shield/Desert Storm is over, because any expenditures will be funded out of the total amount appropriated for defense each

year. Those appropriations are constrained by the caps in the budget agreement, and those caps are not affected by this legislation.

COMMITTEE ACTION

In accordance with the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, there is set forth below the committee vote to report a bill to provide certain benefits for members of the armed forces performing service in connection with Operation Desert Shield and Operation Desert Storm, and for other purposes.

In favor: Senators Nunn, Exon, Levin, Kennedy, Bingaman, Dixon, Glenn, Gore, Wirth, Shelby, Warner, Thurmond, Cohen, McCain, Wallop, Gorton, Lott, and Coats.

Opposed: None.

Vote: 18–0.

FISCAL DATA

Section 252 of the Legislative Reorganization Act of 1970 requires that the report accompanying each bill reported by a Senate committee contain certain information on five-year cost projections.

It was impracticable to include the Congressional Budget Office cost estimate on this legislation because it was not available at the time the report was filed. It will be included in material presented during floor debate on the legislation.

REGULATORY IMPACT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that a report on the regulatory impact of a bill be included in the report on the bill. The committee finds that there is no regulatory impact in the case of the bill reported by the committee.

CHANGES IN EXISTING LAW

Pursuant to the provisions of paragraph 12 of rule XXVI of the Standing Rules of the Senate, the changes in existing law made by certain portions of the bill have not been shown in this section of the report because, in the opinion of the committee, it is necessary to dispense with showing such changes in order to expedite the business of the Senate and reduce the expenditure of funds.

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